

Message Text

UNCLASSIFIED

PAGE 01 NEW DE 11852 040747Z
ACTION NEA-10

INFO OCT-01 IO-14 ISO-00 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 FRB-01 H-02 INR-10 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-02 CTME-00 AID-05
SS-15 STR-07 ITC-01 TRSE-00 ICA-20 SP-02 SOE-02
OMB-01 DOE-15 /134 W
-----091498 050158Z /45

R 040624Z AUG 78
FM AMEMBASSY NEW DELHI
TO SECSTATE WASHDC 3190
INFO USMISSION GENEVA
AMCONSUL BOMBAY
AMCONSUL CALCUTTA
AMCONSUL MADRAS

UNCLAS NEW DELHI 11852

MTN FOR GENEVA; ALSO PASS STR AND USDA

E.O. 11652: N/A
TAGS: ETRD, IN
SUBJECT: INDIAN FOREIGN TRADE POLICY CHANGES

REF: (A) NEW DELHI 5354; (B) NEW DELHI 8643

1. ON JULY 28 COMMERCE MINISTER DHARIA ANNOUNCED TO
PARLIAMENT REVISIONS IN INDIA'S IMPORT-EXPORT POLICY, WHICH
MARK ONE MORE STEP TOWARDS IMPORT LIBERALIZATION, BUT WHICH
MAKE NO BASIC CHANGES EITHER IN LICENSING OR CONTROLS.

2. MAJOR HIGHLIGHTS. IN RESPONSE TO INDUSTRY AND TRADE
DEMANDS, THE GOI HAS MADE SOME IMPORTANT REVISIONS IN THE
THREE BASIC CATEGORIES OF IMPORT ITEMS - OPEN GENERAL
LICENSE (OGL) RESTRICTED AND BANNED. ACCESSORIES AND
ATTACHMENTS ARE NOW COVERED IN THE DEFINITION OF "SPARES"
AND "COMPONENTS". OTHER MAIN FEATURES OF THE POLICY CHANGES
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 NEW DE 11852 040747Z

ARE:

-- ADDITION OF TEN PERCENT TO THE TOTAL VALUE OF
AUTOMATIC LICENSE FOR INDUSTRIAL USERS TO IMPORT
CERTAIN CONSUMABLES NEEDED BY THEM UNDER OGL.

-- PLACING ON OGL THE COMPONENTS OF ALL CAPITAL

GOODS ALREADY ON OGL.

-- DOUBLING THE IMPORT LIMIT OF RS.100,000 PER
RESTRICTED ITEM APPLICABLE TO EXPORT HOUSES FOR
USING THEIR ADDITIONAL LICENSES.

-- RESTORING IMPORT REPLENISHMENT INCENTIVE FOR
ABOUT 50 EXPORT ITEMS AND INCREASING THESE RATES
FOR ABOUT 15 ITEMS, RETROACTIVELY EFFECTIVE
APRIL 1, 1978.

3. TRADE REACTION. TRADE AND INDUSTRY REPRESENTATIVES
HAVE WELCOMED THESE CHANGES BUT STILL CONTINUE TO COMPLAIN
ABOUT THE LACK OF CLARITY OF CERTAIN ASPECTS OF THE
POLICY AND RESULTING CUSTOM CLEARANCE DIFFICULTIES.

4. COMMENT. AS A RESULT OF THE LATEST ANNOUNCEMENT THERE
WILL PROBABLY BE LARGER IMPORTS OF SPARES AND COMPONENTS
FOR KEY INDUSTRIES, WHICH WILL PROVIDE AN OPPORTUNITY FOR
U.S. EXPORTERS. HOWEVER, A BIG INCREASE IN IMPORTS OF
CAPITAL GOODS MAY NOT TAKE PLACE, PRIMARILY BECAUSE OF
HIGH LANDED COSTS AND IMPORT DUTIES. THE RELATIVELY POOR
EXPORT PERFORMANCE DURING THE PAST YEAR SEEMS TO HAVE
PROMPTED THE GOI TO GIVE ENCOURAGEMENT TO EXPORT HOUSES.
THE GOI MAY FURTHER EASE ITS EARLIER POLICY OF RESTRAINTS
ON EXPORT INCENTIVES.

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 NEW DE 11852 040747Z

5. WE WILL POUCH COPIES OF THE POLICY ANNOUNCEMENT AS
ENCLOSURE TO NEW DELHI A-163, WHICH ALSO CONTAINS MORE
INFORMATION AND ANALYSIS ABOUT THE LATEST FOREIGN TRADE
POLICY CHANGES.
GOHEEN

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, FOREIGN TRADE
Control Number: n/a
Copy: SINGLE
Draft Date: 04 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978NEWDE11852
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780320-1355
Format: TEL
From: NEW DELHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780898/aaaaddyh.tel
Line Count: 100
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 8ef1356a-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 78 NEW DELHI 5354, 78 NEW DELHI 8643
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1835873
Secure: OPEN
Status: NATIVE
Subject: INDIAN FOREIGN TRADE POLICY CHANGES
TAGS: ETRD, IN
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/8ef1356a-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014